

EPA's People – Protecting Human Health and the Environment

EPA has always been fortunate to have a workforce made up of exceptionally talented and dedicated public servants. The men and women of EPA provide important services to the citizens of this great nation and have never been satisfied with simply managing the “environmental protection process.” EPA employees work to achieve real results that make a difference in the quality of life and are committed to leaving a legacy of cleaner air, safer water, and the preservation and restoration of our land. Now in the face of increasingly complex and demanding challenges, it is more important than ever for EPA to have people with the right skills, in the right place, at the right time, to protect human health and the environment.

This document is designed to provide a brief overview of EPA's approach to ensuring that the people of the Agency are selected, positioned, developed, and supported to help achieve our mission and to provide job satisfaction. EPA has a solid track record in managing its people and is a good place to work. In fact, recently EPA was recognized as one of the top five best places to work in the Federal government¹. However, the Agency cannot rest on its laurels and be satisfied with being among the top five – complacency will insure that EPA will, in the not too distant future, fall back in the pack and be just another place to work.

Human Capital – A Government-Wide Priority

This past December, EPA issued its “game plan” for human capital “Investing in Our People II, EPA's Strategy for Human Capital, 2004 and Beyond.” (<http://www.epa.gov/oarm/strategy.pdf>) As the name implies, this is EPA's second human capital strategy – the first one covering the years 2001 through 2003. The revised Strategy builds on what was learned implementing the original one and takes advantage of the emphasis and visibility provided by the President's Management Agenda (PMA)². EPA's Office of Administration and Resources Management, works in close partnership with EPA's Human Resources Council and is responsible for implementing this Strategy. As a companion piece to the Strategy, the Agency is implementing a “Human Capital Accountability Plan” to monitor the quality and pace of making the goals of the Strategy a reality.

EPA's progress in implementing the PMA requirement for the strategic management of human capital is closely monitored by the Office of Management and Budget and the Office of Personnel Management. On a quarterly basis, EPA receives a series of “scores” (progress and status) for the progress it is making in implementing each of the various components of the PMA. When the first scorecard was issued in 2003, EPA like all but three agencies, began with a “red” status score in the area of human capital. Since that time, EPA has elevated its status score to “yellow” and is on a path to earn a “green” status score next year. EPA has received a “green” progress score in seven of the last eight quarters. The scoring process considers the following general areas:

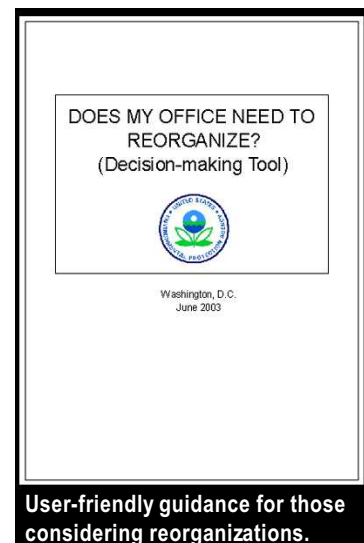
- ▶ Comprehensive Human Capital Planning

- ▶ Efficient and Effective Organizational Structures
- ▶ Sound Succession Strategies
- ▶ Effective Performance Management Systems
- ▶ Successful Policies and Processes to Support Diversity
- ▶ Identification and Reduction of Mission-Critical Skill Gaps
- ▶ Effective Human Capital Accountability Systems

Further enhancing the importance of human capital, the Homeland Security Act created the position of Chief Human Capital Officer (CHCO) in each Federal department and major agency. This position is similar in influence to that of the Chief Financial Officer and Chief Information Officer. The CHCOs are members of a Council chaired by the Director of the Office of Personnel Management and work to improve human capital policies and practices across the Federal government. EPA has designated a political appointee, the Assistant Administrator for Administration and Resources Management as its CHCO.

Goals of EPA's Human Capital Strategy

1. Make sure Agency systems and organizational structures work together to help employees do their part in fulfilling EPA's mission. To be successful in accomplishing its mission, EPA must ensure that it has adequate numbers of staff and managers, with the critical skills and abilities, to carry out the mission. Distribution of staff across Headquarters, Regions, and labs must support the Strategic Plan. This will be accomplished through aligning Agencywide planning, budgeting, and management systems both at the strategic and tactical levels. EPA will employ a workforce planning system and methodologies that provide the statistical and analytical framework for making smart human capital decisions for today and tomorrow. In addition, Agency human resources professionals must develop the skills needed to guide the development and implementation of a wide variety of human capital initiatives.



This goal will be accomplished when:

- ▶ EPA has an explicit workforce planning strategy, linked to its strategic and program planning efforts, to identify its current and future human capital needs.
- ▶ Managers, supervisors, and leaders understand their role in implementing human capital plans/actions and see management of human capital as a key strategy for achieving EPA's mission.

Some results include:

- ▶ Completed design of a workforce planning process. Currently analyzing the critical competency needs and assessing where the gaps are.

- ▶ EPA implemented a Human Capital Innovations Fund to financially support regional and program offices as they pilot innovative approaches to integrating human capital efforts with the Agency's mission. One outcome was the Office of Environmental Information opened an Assistive Technology Center to help provide disabled employees and the public enhanced accessibility to computers.
- ▶ Helped the Agency to more quickly and efficiently meet changing organizational needs by developing and automating reorganization guidance for the Intranet and creating a decision-making tool to determine whether a reorganization is appropriate.

2. Continue to attract and keep great people. Throughout EPA's history, the Agency has been able to attract and keep a highly skilled and relatively diverse workforce. One of the key reasons for this admirable record is that EPA's mission inspires enthusiasm and loyalty. The Agency needs to implement approaches that will insure EPA continues to employ the most talented people who are representative of one of America's greatest strengths, its diversity.

This goal will be accomplished when:

- ▶ EPA continues to attract talented, motivated, and diverse job applicants.
- ▶ Employees have a high degree of job satisfaction, as shown by results of employee surveys.
- ▶ EPA recognizes and demonstrates that a diverse workforce is critical to achieve results.
- ▶ Differences are recognized as being beneficial to the organization in the inclusiveness of its decision-making processes and in the creativity of its solutions to environmental problems.

Some results include:

- ▶ Partnered with private and public organizations and universities that encourage diversity. For example, the Agency provided support to help Fort Valley State University in Georgia establish a special Environmental Science program for their primarily African American student body.
- ▶ Actively participated in the White House's Hispanic and Asian and Pacific Islander Outreach initiatives by supporting internships, sponsoring workshops, and developing and translating environmental information.
(<http://www.epa.gov/aapi/>)
- ▶ Conducted a major talent brand campaign which included surveying thousands of EPA employees to learn why people come to work for EPA, and what makes them stay. Developed a new talent brand, employment advertisements, job



EPA participated as a sponsor, exhibitor and presenter at National Hispanic Environmental Council's 2nd Annual Minority Youth Environmental Training Institute.

website and other new and customized recruitment materials to appeal to special population segments.

- ▶ Launched the seventh year of the EPA Intern Program, a highly successful way to infuse new talent into the Agency. This entry level, permanent employment, and career development program has attracted nearly 200 interns since 1998, with a significant number of program participants being minorities or people with disabilities. (<http://www.epa.gov/region03/interns/index.htm>)

3. Help everyone develop to his or her potential. If EPA is to be successful with its mission, investing in learning is an essential and wise use of resources. In addition to providing appropriate learning opportunities, EPA must establish performance feedback systems that provide accurate and timely feedback. Managers should recognize good performance and notable contributions using the full array of award and recognition tools available.

This goal will be accomplished when:

- ▶ Employees are valued and treated with the respect they deserve.
- ▶ Good work is expected; excellent work is recognized and appreciated.
- ▶ All employees work with their managers to create and implement individual development plans that support mission accomplishment.
- ▶ Effective development and feedback improves the performance of individuals and the organization.

Some results include:

- ▶ Many EPA employees go above and beyond their job requirements and perform their jobs in an exceptional manner. The contributions of these individuals often lead to significant improvements in the environment all Americans share. EPA acknowledges these employees during an annual National Honor Awards Ceremony.
- ▶ This past spring, 51 participants in EPA's Senior Executive Service (SES) Candidate Development Program graduated and already, nearly 20 of them have been placed in SES positions. Not only does EPA now have a ready supply of highly qualified and diverse executives, but the Agency is able to fill vacant SES positions in a matter of weeks rather than months. The Agency is currently



considering the need for recruiting and developing another class of SES Candidates.

- ▶ EPA offered a series of five courses to mid-level employees equipping them with some of the skills they need whether they pursue a technical or a managerial career path. Hundreds of employees are now better able to support the mission as a result of these courses.
- ▶ EPA linked all employees performance standards to its Strategic Plan thereby creating a more direct tie to – and accountability for – mission accomplishment.



The SES Candidate Class.

4. Nurture an environment that encourages innovation, creativity, smart risk-taking, and the highest ethical standards. Executing the day-to-day operations in a manner which solves environmental problems and produces environmental results poses a significant management challenge for EPA. For the Agency to fulfill its mission, all employees must exercise their creativity and take reasonable risks to develop and implement innovative approaches to environmental protection that deliver environmental results. In addition, all EPA employees must display the highest ethical standards and integrity.

This goal will be accomplished when:

- ▶ Employees at all levels understand EPA's mission and are motivated to develop innovative and creative ideas, concepts, and approaches that contribute to improved environmental programs and sound Agency business practices.
- ▶ All employees understand their ethical responsibilities and act with integrity.
- ▶ Broad management support for the "culture of innovation" is evident, and employees at all levels are equipped with appropriate skills, competencies and tools.
- ▶ Many innovative ideas are adopted and implemented.

Some results include:

- ▶ One EPA regional office established "thinking outside of the box" and "innovation" awards to recognize creative and innovative thinking and to encourage risk-taking.
- ▶ Another regional office implemented an Innovations Exchange Network which is a cross-divisional group of people who operate with no direct management



Students in an EPA course practice innovation and problem-solving skills.

involvement. They seek and share innovations that cut across program lines and support the Agencywide innovation strategy.

5. Work in partnership with each other and with stakeholders from outside the Agency.

EPA's Strategic Plan includes a cross-goal strategy highlighting the importance of partnerships with states, local governments, and tribes. EPA cannot accomplish its mission without their cooperation. Likewise, EPA employees need to work cooperatively with each other across the organizational "stove pipes" if they are to deliver the quality of services the American people deserve. Increasingly the Agency is learning to forge productive labor/management partnerships that yield better agreements and relationships and fewer disputes. EPA is also learning to develop and nurture work teams that produce excellent products and services.

This goal will be accomplished when:

- ▶ Management and Labor work together to seek out and analyze workplace problems and develop innovative solutions to improve the organization's ability to achieve the mission.
- ▶ Employees are involved in decision-making and communication flows up, down and across the organization.
- ▶ Teamwork and collaboration with internal and external stakeholders improve organizational performance, focus resources on the most significant environmental problems, and reduce duplication of effort.

Some results include:

- ▶ An EPA regional office implemented a place-based program to allow employees to live and work within the communities served. This supports community-based environmental protection, provides continuous field presence, and enhances relationships with Federal and state partners.
- ▶ EPA and state government staff use Performance Partnership Grants (PPGs) as a means for leveraging resources on the most pressing state and local environmental priorities. Over the past year, EPA conducted several workshops with their state partners to provide a forum for the state and EPA regional employees to share their perspectives on the successes and remaining challenges to broaden the use and effectiveness of PPGs. Representatives from 40 states, Puerto Rico, Virgin Islands, and all 10 EPA regional offices participated in these workshops.
- ▶ EPA works with states, local governments, and tribes to ensure that inspections of the regulated community are carried out by knowledgeable, well-trained



inspectors. As part of this effort, EPA meets regularly with state/tribal associations to discuss environmental issues, develops and distributes inspector manuals for specific programs, and conducts training for state/tribal/local program managers and for inspectors on compliance monitoring issues. Hundreds of program managers and inspectors take advantage of the class room and computer-based training programs offered by EPA's National Enforcement Training Institute.

Competitive Sourcing – Finding the Right Service Provider for the Job

EPA's Human Capital Strategy, described above, focuses in part, on ensuring that the Agency has the people with the right skills, in the right place, to effectively carry out its mission. The strategic plan outlines what the Agency hopes to accomplish during the current year and subsequent out-years. EPA employees are dedicated to achieving results in environmental and human health protection. In order to do that, the Agency must enable them to focus their energies toward activities that will ensure success. To meet these goals, EPA must periodically examine where and how it is using its employees then decide if any changes are needed to ensure success. EPA's Competitive Sourcing Program offers a process to help achieve this evaluation.

The first step in competitive sourcing is to identify activities that are currently being performed by Agency employees. This is done annually through the Federal Activities Inventory Reform (FAIR) Act inventory compilation process. The inventory allows us to see where our employees are and what they are doing at a given point in time. Part of the inventory process is reviewing what work is being performed to determine if EPA is clearly the right service provider for the job. Activities that could potentially be done by the private sector and that we are uncertain of the most efficient way to provide them are subjected to competition using the competitive sourcing process. In 2003 the EPA determined that approximately 6% of its activities should be examined over the coming years to determine the most suitable service provider. EPA's latest inventory was published in December 2003 and can be reviewed at <http://www.epa.gov/oarm/inventory/2003inventory.htm>.

The competitive sourcing process uses competition to promote innovation and efficiency by directly comparing effectiveness and cost of performance by Agency employees with that of the private sector. The purpose of these competitions is to ensure that EPA's services are performed in the most effective manner, either through highly efficient in-house organizations or the private sector. Competitive Sourcing challenges EPA to open its own organization to continuous improvement and positive change. It is an approach to determine who can provide commercial services at the best value to EPA's customers, the American taxpayers.

Goals of EPA's Competitive Sourcing Program

1. Accurately and consistently identify work being performed by Agency employees. The inventory offers an annual Agency-wide snapshot of how the EPA is using its most valuable resource, its people. In order to use this information to determine if EPA employees are “in the right place” to effectively meet mission needs the inventory must be accurate, consistent and link activities to specific strategic goals. When managers across the Agency report the same activity the same way, redundancies are illuminated and potential inefficiencies become apparent. These inefficiencies may be addressed through re-organizing EPA's internal approach or, for commercial activities, using competition with the private sector. Linking actions to strategic goals illustrates how the Agency has aligned its resources to accomplish its priorities.

This goal will be accomplished when:

- ▶ EPA has a common understanding of how to categorize activities within the general functional headings.
- ▶ Activities are linked to Agency strategic goals and review of this information is timed to correspond with the annual review of strategic priorities.

Some results include:

- ▶ Agency specific definitions were created by employees across the Agency and provided to all those responsible for collecting FAIR inventory information as well as Agency managers.
- ▶ A Competitive Sourcing Council, comprised of senior level managers from all program offices and some regional offices was established to address any inconsistencies in inventory reporting and to decide which functions across the Agency are commercial.

2. Ensure that competitive sourcing is applied strategically to achieve the greatest efficiencies for the Agency. The FAIR Act inventory process provides an annual opportunity for the Agency to look at evolving business needs, link those needs with existing resources, and make investments or disinvestments more thoughtfully. Recognizing that Competitive Sourcing has widespread Agency impact, the development of a strategic approach requires broad participation by the Agency's senior managers. Acknowledging the dynamic relationship between Human Capital planning and competitive sourcing the EPA Administrator has designated the Assistant Administrator for Administration and Resources Management as both the Chief Human Capital Officer and the Competitive Sourcing Official thereby ensuring Human Capital concerns are always factored into competitive sourcing decisions. Applying competitive sourcing strategically includes taking into consideration strategic goals; current performance and mission criticality of work; human capital considerations such as the need for succession planning, workforce development and skills gaps analysis; and the potential for cost savings and/or increased efficiencies.

This goal will be accomplished when:

- ▶ The competitive sourcing process is aligned with the annual planning and budgeting process.
- ▶ Activities are selected for competition based on their potential for increasing the efficiency of EPA employee provided services to external and/or internal customers.
- ▶ Competitive sourcing and workforce planning are integrated to advance the Agency's Annual Strategic Plan.
- ▶ EPA has an approved long-term approach for competing its selected commercial activities.

Some results include:

- ▶ The Competitive Sourcing Council has begun to implement a "top down" approach to identifying commercial activities for competition.
- ▶ EPA submitted long-term competitive sourcing plan for OMB approval in April 2004. The plan identifies EPA's strategy for competing its commercial activities over the next five to eight years.

3. Demonstrate through completed competitions that the Agency is providing commercial services in the most efficient and effective manner. For those activities that have been determined commercial, and suitable for competition, the Agency will conduct competitions to determine the right service provider for the job. In order to facilitate fairness in the process, competitions must be conducted in a clear, transparent, and consistent manner. Additionally, lessons learned are applied to future competitions in order to continuously improve results. After an award, the Agency carefully tracks actual performance and cost to demonstrate that expected efficiencies and savings were realized. It is important that both the Federal and private sector competitors be treated fairly in every step of the competitive sourcing process.

This goal will be accomplished when:

- ▶ Competitions are completed on selected commercial services and the Agency has implemented the most efficient approach.
- ▶ Agency teams are provided sufficient training and resources to effectively compete with the private sector.
- ▶ Post-award tracking demonstrates that actual efficiencies were realized through the process of competition.

Some results include:

- ▶ The Office of Competitive Sourcing was established to provide Agency-wide leadership, centralized oversight and coordination, contract support for competitions, and policy guidance for competitive sourcing. The Office also conducts all competitive sourcing competitions, and performs post-award activities making EPA's "one stop shop" for competitive sourcing.

- ▶ EPA has completed three competitions covering risk analysis type activities, in each case the Agency demonstrated it can perform the job for less than the private sector. Post-Award tracking has shown that Agency personnel are, in fact, performing the work above the required minimum performance standards within the proposed costs.
- ▶ EPA announced its first standard competition in May 2004 for Employee Benefits services.

Progress in the Competitive Sourcing Initiative

EPA's progress in implementing the PMA requirement for competitive sourcing is closely monitored by the Office of Management and Budget. On a quarterly basis, EPA receives a series of "scores" (progress and status) for the progress it is making in implementing each of the various components of the PMA. When the first scorecard was issued in 2003, EPA like all civilian agencies, began with a "red" status score in this area. Since that time, EPA has elevated its status score to "yellow." When evaluating progress under this initiative the Office of Management and Budget looks at the following areas:

- ▶ Comprehensive long-term planning for utilizing competitive sourcing
- ▶ Progress in beginning and completing competitions
- ▶ Timely completion of competitions
- ▶ Number of cancelled competitions
- ▶ Agency justifications for determining work cannot be subjected to competition

Endnotes

1. "Best Place to Work in the Federal Government." The Partnership for Public Service and the Institute for the Study of Public Policy Implementation. November 2003.

<http://www.bestplacetowork.org> 

2. President's Management Agenda. <http://www.results.gov/agenda/index.html> 

Data Sources for the Human Capital Report

Unless stated otherwise, all data is from the program files of EPA's Office of Human Resources.

Data Sources for the Competitive Sourcing Report

Unless stated otherwise, all data is from the program files of EPA's Office of Competitive Sourcing.